I invite you to take a look at this months State Spotlight – New York's Information Technology Strategic Plan. New York has seen much success over previous years and this plan will build off those successes. The Plan's intended audience includes agency and local government CIOs, agency program partners, vendors and the public. This plan can also be used as a guide for emerging State IT offices.

Implementing management reforms in your state? Send me an email with the details and my research staff will share your successes and lessons learned with your colleagues in other state capitals.

Season's Greetings and Happy New Year!

Carl DeMaio

State Management Innovations Newsletter

The Performance Institute

IN THIS ISSUE: December 2005

TABLE OF CONTENTS:

Managing for Results:
Performance Measurement & Budgeting

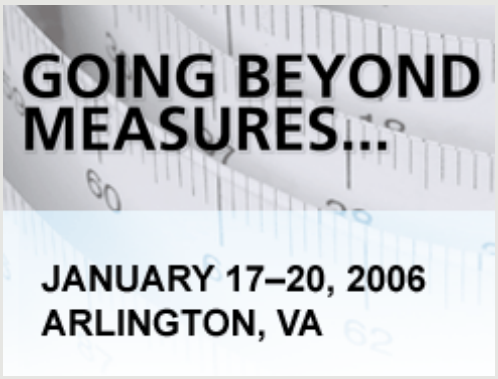
Finance:
State Finances & Budgeting

Workforce:
Strategic Management of Human Capital

Technology:
E-Government & Information Technology

Contracting and Acquisition:
Competitive Sourcing

State Government Spotlight:
New York



The Performance Institute is helping government manage for RESULTS! *See how well your organization measures up. Take our free Performance Measurement Assessment:* www.PerformanceWeb.org/Survey

If you find this newsletter useful and informative please forward it to your friends and colleagues!

UPCOMING EVENTS

Going Beyond Measures
January 17-20, 2006 | Arlington, VA

Government Performance Management Week
February 27 – March 3, 2006 | Arlington, VA

Webinar: Improving Performance Management in State Government: Linking Outputs to Outcomes
January 26, 2006 | 11:00am-12:30pm EST

Human Capital Management Week
March 6-8, 2006 | Las Vegas, NV

Government Internal Controls
March 22-24, 2006 | Arlington, VA

Managing for Results: Performance Measurement & Budgeting

WSDOT's Quarterly Performance Measures Report

How is the Washington State Department of Transportation (WSDOT) performing? Find out in the latest Gray Notebook, also called "Measures, Markers and Milestones." The September 30 edition, covering the third quarter of 2005. Within the Gray Notebook is WSDOT's on-time story about "Nickel" projects (the 2003 Transportation Funding Package), including a new report on Milestone Reporting of Nickel projects. This report compares planned delivery milestone dates for each active Nickel project against the actual completion date for the activity. Additionally, the Gray Notebook provides an overall analysis of the delivery performance and the final cost of highway construction projects from the past year. To read more, go to http://www.wsdot.wa.gov/news/2005/Dec07_WSDOTQuarterlyPerformanceMeasuresReport.htm

Results Iowa: Achieving Results Iowans Value, Measuring our Progress

Iowa State government takes pride in being accountable to its citizens. Accountability includes investing tax dollars wisely and working to achieve results that benefit Iowans. The six buttons at the top of their web page represent broad policy areas. How well Iowa is doing in each of these areas explains how well state government serves its citizens. The information also influences how others view Iowa. To read more, go to http://www.infoweb.state.ia.us/resultsiowa/

Citizen Panel on State Audits Wants To Retool Its Mission

Gov. Christine Gregoire and state legislators are looking at a way to redesign a newly formed citizen board that's meant to oversee audits of state government performance. Steve Mullin, chairman of the new Performance Audit Citizen Advisory Board, which has met twice, told members of a Senate committee Tuesday morning that the members want to retool the board to give it a more general mission than originally intended by lawmakers. That new mission could go beyond performance audits, which last month's passage of Initiative 900 clearly gave to the state Auditor's Office. Instead, the citizen board could embrace other government efficiency efforts already under way, Mullin said. To read more, go to http://159.54.227.3/apps/pbcs.dll/article?AID=/20051207/NEWS06/51207042

Finance: State Finances and Budgeting

Dealing With Pension Under Funding Long Overdue

The travails of New Jersey's pension funds have been much in the news over the last several months. Last week's release of a report by acting Gov. Codey's Benefits Review Task Force casts a welcome spotlight on a problem that the New Jersey Education Association has long urged the state to deal with. Chronic underfunding of New Jersey's public pension plans by both the state and local employers has weakened the funds' financial position and left plan participants to wonder how the state intends to pay for benefits that public employees have been promised and have worked hard to earn. Thankfully, the task force addressed that issue immediately. In the introduction to its findings, it enumerated what it calls its "core set of values." The first principle on that list was a clear statement that "State and local governments have a moral obligation to their employees to make the payments they promised to make." It goes on to chastise the state for taking unwarranted "pension holidays" and using "actuarial and valuation gimmicks" to make the pension funds appear better funded than they really are. Those practices, the task force says, must end. To read more please visit: http://www.app.com/apps/pbcs.dll/article?AID=/20051206/OPINION/512060309/1030

Governor Seeks Massive Public Works Program

Coming off a losing campaign to curb state spending, Gov. Arnold Schwarzenegger is promoting a statewide public works program that may be financed by a bond sale so large it would dwarf previous state borrowings. Groups that have been working closely with the administration say the price tag could be $50 billion or more. To read more, click here http://www.latimes.com/news/local/la-me-sacto14nov14,0,6247774.story?coll=la-home-headlines

California Judges Can't Lock Up Funding

California's courts have every reason to be worried about their funding being squeezed out by other priorities in the states deficit-ridden budget. But that does not justify curbing public control over public-spending decisions. The California Judicial Council, which oversees the states courts, last week approved a proposal for amending the state constitution. Among other provisions, it would create a Prop. 98-like spending protection and hand judicial salary decisions to an outside commission. To read more, go to http://www.insidebayarea.com/oaklandtribune/oped/ci_3293900

Education Budget Battle Under Way

The annual skirmish over state funding for public education began last night, with state Superintendent of Schools Pat Hamamoto announcing that Gov. Linda Lingle's administration has rejected $64 million in spending requests from the state Board of Education. Hamamoto said education officials will take the board's request directly to the Legislature next year to ask that lawmakers provide the money anyway. The board asked for an extra $94 million to cover public education needs. The Lingle administration responded by including $30 million worth of those requests in the proposed budget the governor will submit for the Legislature to consider in January, Hamamoto said. To read more, go to http://www.honoluluadvertiser.com/apps/pbcs.dll/article?AID=/20051209/NEWS07/512090343/1012/NEWS

$20 Billion Obligation to Retirees Surprises State

Maryland's budget secretary said Monday that the state's $20 billion obligation to retirees for their health benefits is far larger than she expected, but she said the administration will work with legislators, the treasurer and the comptroller to address the costs in a way that will safeguard the state's exemplary bond ratings. To read more, go to http://www.baltimoresun.com/news/local/bal-pension1025,1,5251989.story?coll=bal-local-headlines&ctrack=1&cset=true

Senate Urged to Use Fiscal Restraint: GOP Leader Suggests Steering Va. Surplus toward Short-Term Targets, Roads

The leading Republican in Virginia's state Senate warned his colleagues Thursday that the commonwealth must not go on a spending spree with the budget surplus from a strong economy. John H. Chichester (Northumberland), the chairman of the Senate Finance Committee, said at a two-day committee retreat that surplus money, about $1 billion, should be spent on "one-time, non-recurring, non-habit-forming expenditures." To read more, go to http://www.washingtonpost.com/wp-dyn/content/article/2005/11/17/AR2005111701578.html

States Continue Steady Spending On Tax, Revenue Projects

State and local government spending on tax, revenue and collection systems will grow by more than $200 million from 2006 to 2010, according to a report released this week by the market research firm Input Inc. Spurred by increased budget growth following a recession, Input of Reston, Va. forecasts that spending on state and local tax and revenue IT systems will climb from $549 million in 2006 to $755 million in 2010, rising at a compound annual growth rate of 8.3 percent. To read more, go to http://www.washingtontechnology.com/news/1_1/daily_news/27445-1.html

Pension Perk May Cost State Billions

A state pension perk passed by the Legislature nearly eight years ago, with the expectation that it would cost nothing, could sock taxpayers for billions of dollars.
The cost has become too big for lawmakers to ignore, and a push is expected this coming legislative session to either eliminate the benefit, which rewards pension members after a hot streak in the stock market, or replace it with something cheaper. The state actuary estimates that Washington has about a $4.9 billion hole in its pension system. State and local governments are on the hook to make up the shortfall. Nearly half of what's owed can be tied directly to the benefit in question, called gain-sharing. To read more, go to http://seattletimes.nwsource.com/html/localnews/2002680412_pension13m.html

Tax Revenue Slowdown in Forecast State's Plans for Spending Could Suffer

The state's recent surge in tax revenues will probably slow in the next two years, according to economic forecasters who testified on Beacon Hill yesterday, dampening expectations of a big spending spree and the income tax cut sought by Governor Mitt Romney. Tax revenue growth is likely to slow to between 5 percent and 5.7 percent in each of the next two

fiscal years, down from the 7.1 percent growth in the fiscal year that ended June 30, according to testimony yesterday by state Revenue Commissioner Alan LeBovidge, Michael J. Widmer of the Massachusetts Taxpayers Foundation, and David Tuerck of the Beacon Hill Institute at Suffolk University. To read more, go to http://www.boston.com/news/local/massachusetts/articles/2005/12/13/tax_revenue_slowdown_in_forecast/

Maryland Budget to Grow by 1.5 Million

With a surging economy and rapidly increasing tax coffers, General Assembly leaders decided last night that the state can spend nearly $1.5 billion more next year on public services without raising taxes or using reserve funds. If Gov. Robert L. Ehrlich Jr. submits a budget next month in line with a recommendation from the Spending Affordability Committee - and governors typically propose at least that much - state spending would increase at its fastest rate in 15 years. To read more, go to http://www.baltimoresun.com/news/local/politics/bal-te.md.spend08dec08,1,5836373.story?coll=bal-mdpolitics-headlines&ctrack=1&cset=true

Workforce: Strategic Management of Human Capital

State of Washington Workforce Planning Guide

Washington State like many is facing significant challenges in recruiting and retaining a government workforce capable of delivering efficient, quality services to the state's citizens. They anticipate significant increases in turnover, intensified competition for qualified employees, and fast-paced changes in how work is accomplished. Washington State currently has over 50% of their employees at age 45 or older; they are experiencing higher turnover rates due to retirement. Depending on the agency, by the year 2005, up to 27% of PERS 1 employees will be retirement-eligible, and up to 38% of PERS 1 and 2 employees will be eligible. This higher retirement turnover, coupled with other attrition, will mean a significant loss in workforce skill and knowledge, with certain occupational areas hit harder than others. Washington State is on par with many other state governments, as well as the federal government. So what is the public sector to do? Here is their plan.
http://hr.dop.wa.gov/workforceplanning/wfpguide.htm#What%20Is%20Workforce%20Planning?

Panel Recommends $616 Million In Pay Raises For State Workers

As one member of a committee that recommends higher compensation for state employees put it, "It's now a matter of political will." The Joint Legislative Study Committee on State Employee Compensation voted on Nov. 8 to forward to the governor and legislative leadership a five-year plan for more than $616 million in across-the-board and performance-based pay hikes that would put state government on par with public and private markets by 2011.The recommendations, authored by the Department of Administration, include a 7.5 percent raise for all state employees beginning July 1, 2007, and the state will absorb for the second year running any premium increases in its self-insured health plans. The amount of the premium increase is not yet known. To read more please visit:
http://www.azcapitoltimes.com/main.asp?SectionID=2&SubSectionID=2&ArticleID=2753

Social Security Employee Has Questions

Sue Miller knows more than many people how scary it can be to approach retirement wondering whether their savings will really be enough. It's a conversation that the Kansas City resident has had often with soon-to-be-retired workers who call the Social Security Administration center where she works. More recently, it's a question she's been asking herself. At 68 — two years before she would like to leave the work force and spend more time with children, grandchildren and great-grandchildren scattered throughout the U.S. — it looks as if it will be close, she said. Working a bit longer to pump up her retirement savings and pension benefits isn't an option, Miller said. "I've already made a commitment to just stop," she said. Miller expects that her pension, annuities she has bought and her Social Security benefits will provide a dependable monthly income of just over $1,450 after taxes: To read more please visit:
http://www.kansascity.com/mld/kansascitystar/business/personal_finance/13304928.htm

Look Behind State Figures

State government had 928 fewer employees at the end of September than it had at the same point three years ago. Some will hail that figure as an indicator of thrifty government, but it is important to look behind the overall numbers and examine a more telling measure of government performance -- the delivery of services. Having fewer state employees is not inherently a bargain for the taxpayers. The larger question is whether the state has the right number of employees in the right positions to provide a proper level of service to the people whose taxes support state government. Figures from the state comptroller's office cited in an analysis by the Birmingham News show 36,949 state employees at the end of the fiscal year on Sept. 30. At the same date in 2002, there were 37,877. At the end of September 2004, the number was 36,651.to read more please visit:
http://www.montgomeryadvertiser.com/apps/pbcs.dll/article?AID=/20051202/OPINION01/512010370/1006

Use Of Telework In Katrina Aftermath Limited

Several agencies with offices in New Orleans were unable to use telework to continue their operations after Hurricane Katrina forced employees to flee the region. Some have incorporated the alternate work arrangement into emergency plans, but a lack of coordination, the destruction of homes, the temporary shutdown of e-mail and Internet service and general chaos in Katrina's aftermath in some cases combined to prevent the swift return to work envisioned by many telework advocates. William Mularie, chief executive officer of the federally sponsored Telework Consortium, a Herndon, Va.-based nonprofit that works to popularize the arrangement, said he suspected that agencies were unable to use telework because their continuity of operations plans were based on "snowstorm" contingencies. To read more please visit: http://www.govexec.com/story_page.cfm?articleid=32893&sid=7

Technology: E-Government & Information Technology

Outsourcing Plan Would Create 400 Jobs In Southwest Virginia

Gov. Mark R. Warner on Monday announced an interim agreement to outsource a significant part of Virginia's information technology services and create more than 400 jobs in southwest Virginia. To read more, click here
http://www.wvec.com/sharedcontent/APStories/stories/D8DSGLDG3.html

NASCIO Releases Discipline Succeeds: Findings from the NASCIO State IT Project Management Assessment

Billions of dollars are spent on government IT projects every year and state CIOs have the bulk of responsibility for them. Although many have good track records, project success rates have great room for improvement. States have demonstrated that applying the discipline of project management (PM) can greatly increase project success, but there is still much to be done. This premise served as the impetus behind NASCIO's 2005 survey of state information technology (IT) project management practices.

Findings from the survey have just been released in Discipline Succeeds:
Findings from the NASCIO State IT Project Management Assessment.
Thirty-four state project management offices participated in the self-assessment from August-September of 2005. The trends found in their responses set the baseline for state IT project management progress.
Please see the report on NASCIO's new IT project management webpage at
https://www.nascio.org/nascioCommittees/projectManagement/. An executive summary is included at the beginning of the document.

In addition, a press release about the brief is available at http://www.nascio.org/pressReleases/051108.cfm.

NASCIO: Project Management Is Key for IT

To ensure greater success for government information-technology projects, project management practices must be disciplined and adhered to by the agencies and stakeholders involved, according to a study released last week by the National Association of State CIOs based on a self-evaluation conducted by 34 state project management offices. To read more, click here http://www.washingtontechnology.com/news/1_1/daily_news/27406-1.html

State Contract Awarded To Northrop Grumman's IT Division

The state has awarded Northrop Grumman's Information Technology division the first phase of a contract that could be worth $2 billion in the next 10 years to support a boost to the state's technology backbone and services. To read more, click here http://www.dailypress.com/business/local/dp-21766sy0nov15,0,1238196.story?coll=dp-business-localheads

California Technology Services Board of the Department of Technology Services to Hold a Public Meeting on November 16

The Technology Services Board of the California Department of Technology Services will hold its third meeting on November 16, 2005 at 10 a.m. in the East End Complex Auditorium at 1500 Capitol Avenue in Sacramento. A copy of the Public Notice and Agenda is available online. To read more, click here http://www.public-cio.com/newsStory.php?id=2005.11.14-97269

Gateway Technology Center Receives e-NC Authority Grant

The e-NC Authority has awarded a $199,658 grant to Carolinas Gateway Partnership. The grant will fund state-of-the-art technology for the group's Gateway Technology Center, which will offer distance-learning classes to residents of Edgecombe, Nash, Halifax, Northampton and Wilson counties, said John Gessaman, president of the Carolinas Gateway Partnership. The facility, scheduled to open in early 2006, is planned as a 15,000-square-foot structure with four classrooms, two laboratories and a conference room. To read more, click here http://www.rockymounttelegram.com/news/content/news/stories/2005/11/12/20051112RMTenc.html

Unease Among State IT Workers ; They Worry About How Outsourcing Will Affect Long-Term Job Security

Despite official assurances that their jobs will be secure through Virginia's information-technology outsourcing, state government IT employees cannot expect to remain in their jobs until retirement, officials now say. To read more, click here http://www.blackenterprise.com/yb/ybopen.asp?section=ybng&story_id=84281116&ID=blackenterprise

Contracting and Acquisition : Competitive Sourcing

Privatizing State Agencies Presents Several Problems

I think every Hoosier can agree that we want an effective, efficient state government. However, as taxpayers, we also deserve one that meets the needs of all of our citizens. Today, as the Daniels administration continues to shirk its responsibilities by privatizing more and more aspects of state government, that commitment is being called into question. To be clear, my problem is not with the concept of or the philosophy behind privatization; we all support a competitive, free-market system. My concerns arise when it's put into practice. To read more, go to http://www.fortwayne.com/mld/journalgazette/news/editorial/13388439.htm

Louisiana Contactor Workshop

The Louisiana Department of Economic Development, in cooperation with LEDA, held a work shop to help local contractors get jobs rebuilding the state. To read more, click here http://www.klfy.com/Global/story.asp?S=4211321

Making the Right Contacts Can Lead To Big Contracts

The Rutgers center is available to help South Jersey business owners start and expand their ventures. To read more, click here http://www.courierpostonline.com/apps/pbcs.dll/article?AID=/20051219/BUSINESS01/512190336/1003/BUSINESS

Patience, Luck Required

In the wake of Katrina, the nation's largest natural disaster, and then Rita, many small businesses in Louisiana have folded or are struggling to get back on their feet. Others are attempting to participate in the rebuilding of the state by procuring government contracts. To read more, click here http://www.theadvertiser.com/apps/pbcs.dll/article?AID=/20051207/BUSINESS/512070312/1046

State Picks Up Wexford Contract

Less than five months after state government canceled a contract with Wexford Health Sources to provide health care for most prison inmates, the company is resuming those duties with a new contract worth a potential $547 million. To read more, click here http://www.pjstar.com/stories/112505/REG_B87FGBMI.033.shtml

State Government Spotlight: New York

New York State Information Technology Strategic Plan

The New York State IT Strategic Plan through FY 2006–2007 builds upon the state's considerable progress in carrying out initiatives prescribed in last year's refresh of the Plan. This success is largely attributable to the time and effort of the various CIO Council Committees, the Office for Technology and the Office of the CIO. To read more, click here http://www.cio.state.ny.us/NYS%20IT%20Strategic%20Plan%202005.doc

President: Carl DeMaio
Newsletter Editor: Cynthia Craig

The State Management Innovations Newsletter is provided as a free informational newsletter to all state employees about the latest news from the state government and independent news media on performance management.

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by "best-in-class" government program s at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training program s, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.

To subscribe or unsubscribe to this newsletter
please go to: http://www.performanceweb.org/Newsletters/archive_smi.htm

To comment on this newsletter email:
comments@performanceweb.org